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Carol X Weakley 12/05/2006 01:21:37 PM From DB/Inbox: Carol X Weakley

Cable Text:

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C O N F I D E N T I A L SECTION 01 OF 03 TEL AVIV 004730

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E.O. 12958: DECL: 12/04/2016

TAGS: PREL PGOV PINR IS KPAL IR EG CY JO

SUBJECT: AVIGDOR LIEBERMAN'S THOUGHTS ON PALESTINIAN ISSUES

REF: A. TEL AVIV 4303

_B. TEL AVIV 4256

Classified By: Ambassador Richard H. Jones. Reason 1.4 (B/D)

(C) Summary: The Ambassador and DAPNSA Elliott Abrams discussed Israeli-Palestinian relations with Minister for Strategic Threats Avigdor Lieberman (Yisrael Beiteinu) on November 29. Lieberman had requested the meeting to share his latest thinking on the Palestinian question ahead of his planned December 8-11 visit to Washington, where he plans to participate in a Brookings (Saban Center) panel with Labor MK Ami Ayalon on Israel's relations with its neighbors and to consult with USG officials. Lieberman opened the conversation by acknowledging that his views on Palestinian matters differed from those of "mainstream Israelis" on issues such as land swaps and the separation of Arab and Jewish populations, but he sought to disabuse U.S. interlocutors of some of the cruder portrayals of his policy prescriptions by discussing his ideas in greater detail than he has in the past (reftels). Lieberman said he remains convinced that time is not in Israel's favor, and said he would urge PM Olmert to focus first on ameliorating the economic situation in the West Bank by endorsing a large program of infrastructure improvements. He also called for the need for a comprehensive "package deal" for the Israeli-Palestinian conflict, including a "compromise" on Jerusalem, but questioned prospects for Gaza. Lieberman said that he would advocate the abandonment of all isolated settlements, including the one in which he resides, as part of a settlement. End Summary.

Nature of the Conflict and the Need for Partition

conflict is not a product of occupation, settlements or even territory. Rather, in his view, it is the result of friction between two nations that speak different languages and practice different religions, just as the case with the Basques in Spain or among different groups in the former Yugoslavia. Having just met the Cypriot ambassador, Lieberman remarked that the Government of Cyprus was concerned by Lieberman's frequent mention of the current, divided status of Cyprus as a model for Israeli-Palestinian peacemaking. Lieberman compared the current "stability" of Cyprus to the pre-1974 period, which, he said, resembled the current Israeli-Palestinian predicament. He mentioned the 1947 UN Partition Plan -- coincidentally adopted 59 years ago that day -- as evidence of historical thinking similar to his on the need to separate the Jewish and Arab populations.

What Kind of Palestinian State?

13. (C) Abrams asked whether Lieberman thought a Palestinian state was in Israel's interest. Lieberman concurred, and said that he had even advocated the idea of providing some Israeli territory, including Arab towns like Umm Al-Fahm, to a Palestinian "authority." Later in the conversation, Lieberman added, "Jordanian, Israeli, U.S. and Palestinian partners could ensure a strong administration/authority in Judea and Samaria." Abrams noted that currently such a constellation supports President Abbas. Digging his dagger of distaste for Abbas a little deeper than in previous conversations (ref B), Lieberman countered, "No one trusts Abu Mazen in Israel -- not even the Prime Minister. Only because his (Olmert's) political situation is so bad does Olmert speak any good of Abu Mazen. The Jordanians, too, have doubts about the possibility of working with Abu Mazen. Even Fatah is against him."

Egypt and Gaza: Ascendancy of the Islamists

14. (C) The Ambassador asked about the link between Gaza and the West Bank. Lieberman replied that the Palestinians in the West Bank were "less Islamic" than those in Gaza, and were more willing to seize the chance to improve their lives. Lieberman questioned whether one Palestinian country was a good solution for the future. He said he was perplexed by what he viewed as Egypt's tough talk but "suicidal" behavior vis--vis Islamists in Egypt and Gaza. Lieberman argued that the Muslim Brothers in Egypt and Hamas in Gaza had succeeded because of their use of their da'wa social system of support for the poor -- which contrasted starkly with the corruption of Egyptian and PA authorities. Lieberman added that Israel is on the front lines with an irrational "world jihad movement" that is concerned more with the war of ideas, not territory. "The (Hamas-led) PA is part of this movement." Lieberman also worried about the impact of a possible U.S. withdrawal from Iraq, which could lead to the creation of a Shi'a arc from Iran to Syria and Lebanon.

Land Swaps, Mixed Cities, and Jerusalem

15. (C) In response to Abrams' questions, Lieberman acknowledged that Israeli Arabs were not in favor of land swap arrangements involving mostly Arab areas within Israel's 1967 lines. Palestinians in the West Bank, however, favored his ideas, Lieberman claimed, but were publicly silent on their views of such a swap. Lieberman went on to say that some Israeli Arabs want to destroy the Israeli state, but he also said that the populations of mixed cities, such as Jaffa, Acco and Lod, would remain in Israel. Making analogies to loyal Jewish populations living in the U.S. and Morocco, Lieberman left the impression that he believed Israeli Arabs in these mixed Israeli cities were more loyal to the Israeli state than those living in mostly Arab cities adjacent to Palestinian areas, whom he accused of supporting

Hizballah during the recent conflict in Lebanon. Lieberman said that there is "room for discussion" on the subject of Jerusalem, provided there is a "package deal" approach to a settlement with the Palestinians. In response to the Ambassador's question, he said that a "compromise" on Jerusalem would have to be part of a future package.

Disagreement on Disengagement and Unilateral Convergence

16. (C) Lieberman said he disagreed with Sharon's disengagement plan, as it contributed to the creation of a "homogeneous Palestinian state without Jews" without addressing the situation in Israel. "Israel as a binational state with a 20-30 percent Arab minority cannot work. A two state solution for Jews and Arabs cannot mean one and a half states for the Arabs and half a state for the Jews." Lieberman also opposed Olmert for failing to consult with Jordan before proposing his concepts of unilateral convergence/realignment.

Settlements

17. (C) Abrams asked whether Lieberman believed Jews should stay in the West Bank in the context of a permanent status agreement. Pointing to a large aerial photograph of his own settlement of Nokdim, which is situated close to Herod's castle in the outskirts of Bethlehem, Lieberman replied, "I would be evacuated." "There would be too much friction (if settlements like his remained). And some Jews want to provoke conflict," Lieberman continued. He also noted that polls show that some seventy percent of Israelis support land/population swaps and removal of settlements. Lieberman saw no reason why evacuated settlements on the West Bank could not be transferred to Palestinians -- in the context of package deal.

Focus on the West Bank; Negative on Abbas; Favors "Young Fatah"

- 18. (C) Lieberman argued that the West Bank should be the focus of Israeli and international attention, as there is greater chance for success there than in Gaza. He asserted that Western-educated Palestinians there were "ready to fight Hamas," and urged us to "find the right partners in Judea and Samaria." He called President Abbas "weak, unpopular -- good for declarations, but can't deliver the goods." Furthermore, in Lieberman's view, "young Fatah members hate him and see him as an obstacle to power." He maintained that there is a cadre of such members, many who grew up in Europe, who could be partners.
- 19. (C) Abrams asked Lieberman what he would want to see from the Palestinian partner. Lieberman did not spell out his views. Instead, he replied "we must agree with you, the U.S., on this. It is impossible to continue with Abu Mazen." The Ambassador asked Lieberman what kind of negotiation process he envisioned? Lieberman stressed the importance of Jordanian support, and said he would like to see a great deal of international financial support for infrastructure projects that would provide jobs to Palestinians in the West Bank.

Public Works for Palestinians: Sewage Treatment

110. (C) Lieberman said that Israel had failed to provide Palestinians with opportunities to work in the West Bank, and suggested that Israel should provide thousands of jobs to Palestinians. He provided a \$1.7 billion list of infrastructure priorities (faxed to NEA/IPA) that the international community could support, and highlighted the

importance -- for Palestinians and Israelis -- of treating the wastewater in the Kedron Valley. (Note: Many of the projects listed by Lieberman are for public roads likely intended to separate the Palestinian and Israeli populations in the West Bank. End Note.) He argued that donors should begin to execute these projects as soon as possible; they should not be held back as carrots in negotiations but used as a tool to improve the climate for negotiations.

The Way Ahead

111. (C) In an exchange of views on the role of democracy in the Middle East, Abrams argued that some Arab populations were literate and enjoyed a relatively high standard of living, but lacked democracy as a means of promoting change. Lieberman argued against pressing forward with democracy in the Middle East so long as Islamists maintain their da'wa systems that give them an unfair advantage over secular parties. Lieberman asked Abrams for the U.S. vision of the way ahead. Abrams replied that the Roadmap remains the anchor, but we are asking the Government of Israel what it is they want to do? Abrams asked what Lieberman thought could be achieved in the next two years? Lieberman responded, "Palestinians and Israelis do not believe in the Roadmap." However, he acknowledged that they were reluctant to abandon it publicly until they knew what would replace it. He said he would try to get PM Olmert to adopt his ideas, which he would broach with him during the week preceding his December 8-11 visit to the U.S.

112. (U) This message was cleared by DAPNSA Elliott Abrams.

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JONES